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(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00323)

2025 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

- 1 This interim results announcement is abstracted from the full text of the current interim report. To fully understand the business performance, financial position and future development plans of the Company, investors shall carefully read the full Interim Report published on website designated by China Securities Regulatory Commission such as the website of The Stock Exchange of Hong Kong Limited as well as the website of the Shanghai Stock Exchange.
- 2 The board of directors (the “**Board**”), the supervisory committee, the directors, the supervisors and senior management of the Company warrant that there are no false representations or misleading statements contained in, or material omissions from this interim report; and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this interim report.
- 3 All directors attended the Board meeting.
- 4 The financial report for the interim report has not been audited, but has been reviewed by the audit and compliance committee of the Board of the Company (the “**Audit Committee**”).
- 5 Profit distribution plan or plan for the capitalization of capital reserve during the reporting period proposed by the Board: None.

II. BASIC INFORMATION OF THE COMPANY

2.1 Company Profile

Type of shares	Stock Exchange for Listing of Shares	Stock abbreviation	Stock code
A Shares	The Shanghai Stock Exchange	Magang Stock	600808
H Shares	The Stock Exchange of Hong Kong Limited	Maanshan Iron & Steel	00323
Secretary of the Board of Directors, Joint Company Secretary		Joint Company Secretary	
Name	He Hongyun	Rebecca Chiu	
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2.2 Major Financial Data of the Company

Unit: Yuan Currency: RMB

	At the end of the reporting period	At the end of the previous year	Increase/decrease at the end of the reporting period compared to the end of last year (%)
Total assets	82,322,514,611	78,962,973,613	4.25
Net assets attributable to owners of the parent	23,901,475,700	23,257,460,660	2.77

	Reporting period	Corresponding period of the previous year	Increase/decrease at the reporting period compared to the same period of last year (%)
Revenue	38,075,533,544	43,007,478,790	-11.47
Total profit	117,712,960	-1,190,806,469	N/A
Net profit attributable to owners of the parent	-74,780,316	-1,144,779,937	N/A
Net profit excluding non-recurring gains or losses attributable to owners of the parent	-108,239,155	-1,236,755,384	N/A
Net cash flows from operating activities	940,725,426	1,227,796,059	-23.38
Return on net assets (weighted average) (%)	-0.32	-4.21	Increased by 3.89 percentage points
Basic earnings per share (RMB/share)	-0.01	-0.148	N/A
Diluted earnings per share (RMB/share)	-0.01	-0.148	N/A

2.3 Shareholding of the top ten shareholders

Unit: Share

Total number of shareholders at the end of the reporting period 127,414

Shareholding of the top ten shareholders

Name of Shareholder	Shareholder Nature	Shareholding Ratio (%)	Number of Shares	No. of Share under Restricted Condition for Sales	Number of Shares Pledged, Marked or Frozen
Magang (Group) Holding Co., Limited	State-owned shareholder	48.35	3,733,677,149	- None	-
Hong Kong Securities Clearing Company (Nominees) Limited	Overseas legal person	22.25	1,718,234,495	- Unknown	Unknown
Central Huijin Investment Ltd.	State-owned shareholder	1.80	139,172,300	- Unknown	Unknown
Beijing Guoxing Real Estate Management Co., Ltd.	Domestic non-state-owned legal person	0.61	46,997,901	- Unknown	Unknown

Shareholding of the top ten shareholders

Name of Shareholder	Shareholder Nature	Shareholding Ratio (%)	Number of Shares	No. of Share under Restricted Condition for Sales			Number of Shares Pledged, Marked or Frozen
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.50	38,661,246	–	Unknown	Unknown	
Agricultural Bank of China Co., Ltd. – China Securities 500 Open-end Trading Index Securities Investment Fund	Other	0.46	35,505,426	–	Unknown	Unknown	
Shenzhen Qianhai Daoming Investment Management Co., Ltd. – Daoming No. 1 Private Securities Investment Fund	Other	0.19	14,554,600	–	Unknown	Unknown	
Huang Hairong	Domestic natural person	0.15	11,477,081	–	Unknown	Unknown	
Hong Zhenbo	Domestic natural person	0.15	11,267,400	–	Unknown	Unknown	
Guosen Securities Co., Ltd.	State-owned shareholder	0.14	11,088,800	–	Unknown	Unknown	
Notes on the above shareholders' affiliated relation or concerted action	Magang (Group) Holding Co., Limited has no affiliated relation with any of the other foregoing shareholders, nor is a person acting in concerted action. It is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concerted action.						

Note: As at the end of the reporting period, Hong Kong Securities Clearing Company (Nominees) Limited held 1,718,234,495 H Shares of the Company, which were held on behalf of its customers, including 358,950,000 H Shares of the Company held on behalf of Baosteel Hong Kong Investment Ltd.

2.4 During the reporting period, there was no change of controlling shareholder or actual controller of the Company.

2.5 During the reporting period, the Company does not have any undue or overdue corporate bonds.

III. DISCUSSION AND ANALYSIS ON OPERATION

3.1 Major operational overview

In the first half of 2025, the Company strictly implemented China Baowu's strategic deployment of "new stage, new strategy, new model", and adhered to the principles of the "4 directions of development" and "4-with". Focusing on enhancing value creation capabilities, the Company proactively addressed severe market challenges. Through deepened operational accounting, strengthened integration and synergy, and continuous reform and innovation, the Company solidly advanced the "three reductions and three enhancements" initiative. The overall production and operational trend improved, and reforms achieved phased progress. During the reporting period, the Group produced 9.36 million tonnes of pig iron, 10.35 million tonnes of crude steel, and 9.63 million tonnes of steel. Under Chinese Accounting Standards for Business Enterprises, the Group recorded revenue of RMB38.076 billion and a net profit attributable to shareholders of the listed company of RMB -75 million, reflecting a year-on-year improvement in profit of RMB1.07 billion.

Key initiatives and operational highlights:

First, we focused on value creation, achieving remarkable results in internal cost reduction and efficiency enhancement. On the procurement front, the Company proactively adjusted its purchasing strategies in response to market conditions, adopting delayed purchases, smaller batches, and higher frequency to reduce procurement costs. Specifically, in the ore segment, through production-supply coordination and iron ore substitution under extremely low inventory conditions, the average spot procurement price at ports outperformed the index by USD4.58/tonne from January to June. In the fuel segment, the procurement cost for coking coal was RMB1,267/tonne from January to June, which was RMB10.67/tonne lower than the industry average, improving the Company's industry ranking by two places compared to the previous year. On the marketing front, the Company increased orders for key product varieties: actual sales of key products reached 2.769 million tonnes in the first half of the year, achieving 52.9% of the annual target, with the proportion of key products reaching 35%, and the direct supply ratio at 73.4%, representing year-on-year improvements of 5.0 and 8.5 percentage points, respectively. On the manufacturing front, the Company optimized production organization and maintenance models, coordinated iron-steel balance in production, and enhanced the efficiency of high-value-added product lines. Magang Limited refreshed monthly production records 20 times across 10 lines and daily production records 43 times on 19 lines. At the same time, it strengthened quality control by conducting detailed reviews across "all processes, all operational areas, and all elements" to establish a

cost and quality control system with “clear individual responsibilities and closed-loop management”. At the end of June, the defect rate of post-steel making products decreased by 1.14 percentage points year-on-year, while the unplanned product rate dropped by 0.66 percentage point. During the reporting period, internal cost reduction and efficiency improvements in procurement and manufacturing achieved a cost reduction of RMB 91 per ton of steel.

Second, we focused on product operation, and the adjustment of product structure was advanced as scheduled. In product premiumization, the Company continued to promote the quality improvement and volume expansion of key product varieties, consolidating and increasing the sales of key products such as Al-Si coated hot-forming steel. Sales of key steel products reached 2.77 million tonnes, representing a year-on-year increase of 22%. The proportion of key products reached 35%, while direct supply ratio rose to 73.4%, up 5 percentage points and 8.5 percentage points respectively compared to the previous year. The Company accelerated the development of high-end products, with cumulative sales of new products reaching 867,000 tonnes, and the excess profit per tonne of materials increasing by 39% year-on-year. The first 2200MPa hot-forming steel passed Xiaomi Automobile’s material certification and received small-batch orders. The Company steadily advanced the localization of high-speed railway wheels: self-developed wheels and axles for Fuxing bullet trains are now ready for mass installation, and CR400 Fuxing bullet train self-developed wheels have been included in China State Railway Group’s supplier list and received orders. In key project development, the factory building and equipment foundation of the product structure adjustment project – the cold rolling 6# galvanizing line project have been basically completed, and the entire line has entering the peak phase of equipment installation, with completion expected by year-end. The No. 3 continuous caster project under the southern section steel beam renovation project has largely completed workshop construction and is expected to be substantially completed by year-end. On international expansion, the Company strategically balanced overseas market development and exploration, tapping into new markets including Southeast Asia to drive export growth and enhance profitability. In the first half of the year, the Company’s total exports reached 554,000 tonnes, including over 90,000 railway wheels accounting for approximately 45% of the wheel and axle product revenue, and H-beam exports of 357,000 tonnes, representing a 5% increase compared to the previous period.

Third, we focused on institutional innovation, injecting vitality through both internal and external reforms. The Company implemented internal institutional and mechanism reforms with a blast furnace-centric approach. Magang Limited established a Blast Furnace Operations Technology Committee, organizing five dedicated teams for 5 blast furnaces correspondingly. These teams implemented daily morning/evening

meetings, monthly evaluations, quarterly reviews, annual summaries, and performance-based incentive mechanisms. At the same time, it integrated the ironwork area, promoting the long-term stable and smooth operation of blast furnaces and further reducing the cost of molten iron. Additionally, it launched a Production-Sales-Research Integration Center to clarify product management responsibilities, driving continuous quality improvements and deeper market penetration. Externally, the Company executed a major restructuring initiative by injecting core steel assets into Magang Limited and introducing Baosteel as a strategic investor with a 49% equity stake. This partnership establishes a foundation for deep collaboration with Baosteel.

Fourth, we prioritized synergistic development, with initial collaborative results emerging through our partnership with Baosteel. Magang Limited implemented collaboration across multiple functional areas, launching 172 joint support projects (including 17 in procurement, 19 in production operations, 31 in R&D, 38 in long products and special steel, and 24 in functional support). These efforts generated significant synergies, enabling Magang Limited to achieve monthly profitability since beginning independent operations in March. In procurement, through collaborative negotiations on imported resources, the addition of alternative varieties, and the reduction of procurement prices, a cost reduction of RMB77.07 million was achieved. In production operations, through collaborative optimization of the stop-casting process operations, the residual steel in the ladle was reduced from 12.5 tonnes in 2024 to 10.5 tonnes. In sales and marketing, by focusing on the optimization of product structure and the synergy of core users and processing support capabilities, the single automotive steel plate achieved a synergy effect of RMB3.17 million. In long products and special steel, by coordinating the guidance and control of the active oxygen in the steelmaking process, we optimized the deoxidation process of molten steel and slag surface, and adopted high-temperature rapid rolling methods, making the cracking rate of the products reduce from the initial 10% to the current 0.5%, and leading to an increase in product orders.

Fifth, we focused on differentiated competition, driving significant performance improvements at Chang Jiang Iron & Steel. The Company has pushed Chang Jiang Iron & Steel to adhere to the norms of state-owned enterprises and give full play to the vitality of the private mechanism, fully implementing the business policy of “low cost, differentiation, high efficiency and fast pace”, and significantly improving its business performance. Compared with the same period last year, the cost of molten iron decreased by 26%, the proportion of self-generated electricity increased by 18.62 percentage points, and the cost of electricity purchased per ton of steel from outside decreased by 22.97%.

3.2 Outlook and tasks for the second half of the year

Looking ahead to the second half of the year, the Company continues to face a severe environment. From the perspective of raw fuel and steel markets, steel demand is expected to shift from weak to strong while supply may transition from strong to weak, potentially resulting in a V-shaped trend in steel prices for the full year. Supply of raw fuels is increasing while demand is decreasing, resulting in relatively relaxed supply-demand fundamentals. Raw fuel prices may struggle to sustain an upward trend and are likely to remain weak with fluctuations throughout the year. Regarding the external environment, the National Development and Reform Commission (NDRC) has implemented policies to reduce crude steel production. Internally, the factors restricting the efficiency of production, including insufficient production stability and low capacity utilization rates of production lines and other problems, have not been fully resolved. However, with the introduction and implementation of domestic policies to stabilize growth and increase volume, market liquidity will be further improved, providing development space for enterprises' production and operation activities. Next, the Company will actively respond to the severe situation in the steel industry, focus on value creation, deepen accounting operation, comprehensively benchmark and identify differences, strengthen synergistic effects, intensify product structure adjustment, and strive to improve the profit percentile per tonne of steel. These efforts aim to continuously enhance efficiency and profitability, ensure stable production and operations, achieve significant improvement in operational performance, and pursue the goal of avoiding losses for the full year.

Specifically, the Company will focus on five key tasks:

First, ensuring stable and smooth production. Adhering to the principle that “production stability is the greatest cost reduction”, the Company will continuously enhance production stability and build an optimal production and operation system. In stabilizing blast furnace operations, it will fully secure blast furnace production to ensure that Magang Limited's daily molten iron output steadily maintains a platform of 42,500 tonnes. In stabilizing steel rolling operations, it will improve production line efficiency, implement intensive production, orderly shut down small bar lines, renovate large bar lines, and phase out steelmaking converters in the Long Products Area 1, thereby reducing the iron-to-steel ratio, increasing the hot charging ratio, and lowering steel material consumption. In stabilizing order fulfillment, it will actively secure orders, produce based on sales demand, strengthen collaboration with Baosteel's marketing system, closely monitor key customers, and engage in joint marketing and R&D. In stabilizing equipment operations, it will reduce accident rates, enhance equipment precision management, optimize maintenance models, strengthen inspection

and patrol management, and improve accident prevention and equipment condition management. In stabilizing energy supply, it will promote efficient energy operation, effectively leverage the role of the energy working group, strengthen supply security, improve efficiency, and reduce energy losses.

Second, comprehensively deepening benchmarking and gap analysis. Adhering to the principle that “costs must be reduced to the extent the market demands”, the Company will strengthen management of cost and quality factors, promote cost reduction across all factors and quality improvement throughout all processes, and enhance cost competitiveness synergistically across all production stages. Focusing on the management of “cost factors and quality factors” as the main line, the Company will promote the reduction and control of molten iron costs to the bottom line, tackle the purchase and sale price difference to ensure benefits, implement daily cost management, and improve efficiency through a closed loop of incentives and constraints mechanism.

Third, closely monitoring both supply and sales markets. On the marketing front, the Company will adjust the structure, increase exports, and optimize channels. In terms of structural adjustment, it will accelerate the transition of plate and strip products toward “cold-rolled series, high-strength, coated, and new energy applications”, strengthen section steel products, optimize special steel, and strive to increase the proportion of key products to 37%. It will dynamically assess development trends in downstream industries, stay close to the market, increase the direct supply ratio of cold-rolled sheet products, and further boost sales to end-users. It will continue to seize opportunities from the automotive industry development in Anhui Province, leverage its geographical and logistics advantages, and consolidate and increase the local sales ratio to 89%. In increasing exports and optimizing channels, it will enhance collaborative sales by utilizing Baosteel’s global marketing network to sell section steel. It will intensify efforts to develop overseas end-customers to achieve an export ratio of 7.8%. On the procurement front, the Company will strengthen delayed purchasing, multi-batch, and small-quantity strategies. It will expand the supplier base, increase tendering activities, ensure all eligible projects are tendered, and fully leverage centralized procurement. It will enhance the alignment between demand and resources, increase the use of cost-effective resources in scrap steel, ore, and coal, flexibly respond to price differences between spot market coal and long-term contract coal, and dynamically adjust the proportion of long-term contract coal. It will practice agile operations to outperform the market, accurately time market movements, and ensure imported iron ore procurement outperforms the index.

Fourth, strengthening sci-tech innovation support. In product operations, the Company will focus on product differentiation to consolidate and enhance key product categories, and boost market competitiveness. In structural adjustment, it will accelerate the mass application of 400 km/h high-speed railway wheels and axles to maintain leading advantages. It will concentrate on reforms in long products and special steel, continuously strengthen the research, production, and sales of section steel and special steel products to support strengthening and optimization. It will leverage the advantages of Anhui's automotive industry to enhance R&D of automotive steel products and increase its market share. In core breakthroughs, the Company will conduct research on-site process technology, process platform technology, green and low-carbon metallurgical technology, and applied fundamental technology to support the improvement of key on-site process technology indicators and the development of key products. In industrial extension, the Company will accelerate the transformation from materials to parts, from performance to function, and from products to services.

Fifth, advancing the “three reductions and three enhancements” initiative. In reducing non-performing assets, the Company will intensify efforts to dispose of and eliminate low-efficiency and idle assets. For reducing liabilities and dual capital, we will focus on the core tasks of “lowering debt, controlling accounts receivable and inventory, and revitalizing capital,” strengthening bottom-line thinking and benefit-oriented approach to optimize the asset-liability structure and implement full-cycle capital management. To enhance overall labor productivity, we will conduct comprehensive human resource benchmarking, optimize workforce allocation models, and promote internal labor substitution to continuously improve personnel efficiency. In increasing the proportion of tendering and direct procurement, we will ensure all required tendering is conducted and maximize eligible tendering opportunities, eliminate hidden barriers to raise the tendering ratio, streamline source suppliers, reduce intermediate links, and boost direct procurement. In terms of increasing the proportion of direct supply, we will further strengthen channel development, deepen strategic cooperation with key users, closely penetrate regional markets to expand small and medium end-customers, and further increase direct sales to end-users.

3.3 Financial position and exchange risks

At the end of the reporting period, the total loans of the Group were denominated in RMB with an aggregate amount of RMB22.108 billion, including short-term loans of RMB13.181 billion and long-term loans of RMB5.607 billion (including RMB3.320 billion of long-term loans due within one year). Loans amounting to RMB16.987 billion carried fixed interest rates and loans amounting to RMB5.121 billion carried floating interest rates. At the end of the reporting period, the Group's asset liability ratio was 60.49%, representing an increase of 4.91 percentage points as compared with the end of 2024.

The amount of all loans of the Group changed with the scale of production, operation and construction. At present, the Company finances its construction projects mainly with its own funds. There was no overdue loan during the reporting period. At the end of the reporting period, banking facilities available to the Group amounted to approximately RMB88.799 billion, of which the unutilised facilities amounted to approximately RMB50.097 billion.

The Group's imports of raw materials are mainly settled in US dollars, and export products are mainly settled in US dollars. The Company proactively manages exchange rate and interest rate volatility risks arising from divergent global monetary policies, adhering to the operational principles of "cost locking, instrument locking, exposure locking, and cash flow locking". It comprehensively enhances lean management of cross-border funds and implements the specialized "three hedges and three reductions" initiative, insisting on the "three combinations": combining market hedging with natural hedging, short-term risk avoidance with long-term structural adjustment, and exchange rate control with interest rate control. The Company closely monitors the dynamics of its foreign exchange risk exposure and the effectiveness of hedging activities. It strictly controls the scale of derivative transactions, halts new transactions involving complex structured products, and increases the frequency of dynamic adjustments to hedging portfolios. In the second quarter of 2025, the Company introduced a new model for cross-border business, directly issuing RMB electronic sight letters of credit totaling RMB331 million to mining companies and conducting cross-border RMB forward letter of credit transactions of RMB168 million. By utilizing RMB settlement, the Company mitigates exchange rate fluctuation risks.

3.4 Internal control and risk management

The Company has an internal auditing system. Our auditing inspection department internally audits and supervises the financial revenue, expenditure and every economic activity of the Company. The Company has established an internal control system for of the entire process of production, operation and management, including internal environment, risk assessment, social responsibilities, information and communication, internal supervision, human resources, funds management, procurement, asset management, sales business, research and development, projects, guarantees, business outsourcing, financial reports, comprehensive budget, contract management and information systems. We have paid extra attention to high-risk areas, e.g. procurement risks, operational risks and financial risks, risks related to the control over subsidiaries. The system acts as a guideline for the Company's operation, helping the Company recognize and control its major risks of production and operation.

The Audit Committee reviewed the 2024 internal audit work report of the Company on 20 February 2025, agreeing to the internal audit work arrangements for 2025 and submitted it to the Board for consideration. The Board reviewed the 2024 anti-fraud work report and 2025 work arrangements on 24 January 2025.

The Board reviewed the 2024 Internal Control Evaluation Report on 28 March 2025, confirming that the Company has implemented an effective internal control over all important aspects pursuant to the Basic Internal Control Norms for Enterprises and other relevant requirements in 2024. The Company appointed Ernst & Young Hua Ming LLP as our auditor to audit the effectiveness of our internal control related to financial report as at 31 December 2024 and issued a standard unqualified internal control audit report. During the reporting period, the Company continued to improve the internal control system to ensure that its internal control always remains effective.

The Board reviewed the 2024 Comprehensive Risk Management and Internal Control Work Report and the 2025 Work Plan on 28 March 2025, confirming that the Company would take appropriate control measures for production safety risks, bulk raw material price fluctuation risks, exchange rate and interest rate volatility risks, cash flow management risks, environmental protection and energy consumption control risks, and other risks in 2024 and the risks were under control. During the reporting period, the Company evaluated the risks, formulated the measures for identified risks, and carried out key prevention and control to ensure that the risks were under control.

The Board heard the comprehensive risk management and internal control work reports for the first quarter and the first half of 2025 on 29 April and 27 August 2025, respectively.

3.5 Operating results

Yuan Currency: RMB

Accounts	Amount of the current period	Amount of the same period of last year	Change (%)
Revenue	38,075,533,544	43,007,478,790	-11.47
Cost of sales	36,244,525,052	42,484,454,227	-14.69
Selling expenses	137,798,991	144,367,917	-4.55
General and administrative expenses	437,312,708	434,826,631	0.57
R&D expenses	549,322,312	509,627,618	7.79
Financial expenses	245,618,668	316,659,664	-22.43
Net cash flows from operating activities	940,725,426	1,227,796,059	-23.38
Net cash flows from investing activities	-1,619,631,859	-703,896,902	N/A
Net cash flows from financing activities	2,297,776,926	329,780,103	596.76
Other income	219,162,236	133,118,240	64.64
Investment income	13,557,382	84,287,590	-83.92
Credit impairment (losses)/profit	-9,568,661	16,310,120	-158.67
Gains from disposal of assets	11,386,204	73,529,933	-84.51
Operating profit/(losses)	112,596,584	-1,182,027,063	N/A
Non-operating income	17,953,725	733,269	2,348.45
Non-operating expenses	12,837,349	9,512,675	34.95
Total profit/(losses)	117,712,960	-1,190,806,469	N/A
Income tax expense	77,493,175	121,089,148	-36.00
Net profit/(losses)	40,219,785	-1,311,895,617	N/A
Net losses attributable to owners of the parent	-74,780,316	-1,144,779,937	N/A
Profit/losses attributable to non-controlling interests	115,000,101	-167,115,680	N/A

Compared to the same period last year:

Revenue decreased by 11.47%, mainly due to the year-on-year decrease in average selling price of steel during the period as a result of weak demand from downstream industries.

Cost of sales decreased by 14.69%, mainly due to the Company's continuous efforts to reduce costs and increase efficiency across all processes, coupled with a year-on-year decline in the prices of raw materials such as iron ore and coking coal during the period.

Net cash inflow from operating activities decreased by 23.38%, mainly due to the decline in sales revenue, the reduction in cash inflow from selling goods and the increase in notes receivable.

Net cash outflow from investing activities increased by 130.10%, mainly due to a year-on-year rise in cash payments for the acquisition and construction of fixed assets, intangible assets, and other long-term assets.

Net cash inflow from financing activities increased by 596.76%, mainly due to Baosteel acquiring a 35.42% equity stake in Magang Limited held by Magang Stock for RMB5.139 billion during the period, with the first tranche of the consideration totaling RMB2.57 billion having been received.

Other income increased by 64.64%, mainly due to the recognition of additional deductible input VAT credits during the period.

Investment income decreased by 83.92%, mainly due to a reduction in income from associates and joint ventures recognized during the period.

Credit impairment losses decreased by 158.67%, mainly due to the provision for bad debts in the current year increased slightly compared to the previous year.

Gains from disposal of assets decreased by 84.51%, mainly due to the recognition of land expropriation income by the subsidiary Maanshan Magang Cihu Steel Processing and Distribution Co., Ltd. (“**Cihu Processing**”) in the same period last year.

Non-operating income increased by 2,348.45%, mainly due to the reversal of some unpaid amounts of the Company during the period.

Non-operating expenses increased by 34.95%, mainly due to a year-on-year increase in losses from the disposal of fixed assets of the Company during the period.

Income tax expense decreased by 36.00%, primarily due to a reduction in income tax expenses at Masteel Transit Materials and Cihu Processing compared to the same period last year.

Profit/losses attributable to non-controlling interests increased by RMB282 million, mainly due to improved profitability of non-wholly owned subsidiaries compared to the same period last year.

Operating profit/(losses), total profit/(losses), net profit/(losses), and net loss attributable to owners of the parent improved compared to the same period last year, mainly due to the year-on-year improvement in the purchase-sale price differential, coupled with the Company's comprehensive efforts to enhance operational performance through operational accounting, cost reduction across all factors, and quality improvement throughout all processes.

IV. RELEVANT MATTERS INVOLVING FINANCIAL REPORT

- 4.1 There was no change in accounting policies, accounting estimates and accounting methods of the Company as compared with the previous period.**
- 4.2 During the reporting period, the Company did not have significant accounting errors that need to be retrospectively restated.**
- 4.3 Change in the scope of consolidation of the financial statements**

Anhui Changjiang Steel Trade Hefei Co., Ltd., a wholly-owned subsidiary of Changjiang Steel, was absorbed by its parent company through merger and consequently no longer falls within the consolidation scope. Apart from this change, the scope of consolidation in the financial statements for the reporting period remains unchanged compared to the previous financial reports.

V. OTHER EVENTS

5.1 Audit Committee

The Audit Committee of the Company comprises independent directors Ms. Zeng Xiangfei, Mr. Guan Bingchun, Mr. He Anrui and Mr. Qiu Shengtao. The Audit Committee has reviewed the 2025 interim results.

5.2 Significant Events Affecting the Group after the Reporting Period

On 30 July 2025, the Supplementary Agreement to the 2025–2027 Product Sales and Purchase Agreement with China Baowu Steel Group Corporation Limited was considered and approved by the general meeting of the Company. On 15 August 2025, Mr. Zhang Wenyang, a director, general manager, and chief financial officer of the Company, resigned from his positions. The Board appointed Mr. Chen Guorong as deputy general manager and chief financial officer. Apart from the above, since the end of the reporting period and up to the date of this announcement, there is no significant event affecting the Group that needs to be disclosed.

5.3 Purchase, Sale or Redemption of Listed Securities

During the reporting period, the Company did not redeem any of its listed stocks, nor did the Company and its subsidiaries purchase or resale any of the listed stocks.

5.4 Pre-emptive Rights

There are no requirements under Chinese laws and the Articles of Association of the Company that the current shareholders shall purchase new shares based on their holding shares before the Company issues new shares.

5.5 Code on Corporate Governance Practices

During the reporting period, the Company had complied with all the code provisions of the Code on Corporate Governance Practices set out in Appendix C1 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

5.6 Model Code for Securities Transactions by Directors of Listed Issuers

During the reporting period, all the Directors of the Company had complied with the requirements stipulated by the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. No deviation behavior from the code was found.

5.7 Shareholders' Rights

Any shareholder who holds shares carrying 10% or more of the voting rights in the Company, either individually or jointly, has the right to demand an extraordinary general meeting according to the Articles of Association. When the Company convenes a general meeting, any shareholder who meets the conditions specified in Article 58 of the Articles of Association is entitled to file a new bill with the Company in writing. Shareholders may send inquiries or comments to the Board by mail to the Company (No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC).

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

Renminbi Yuan

		30 June 2025	31 December 2024	30 June 2025	31 December 2024
ASSETS	Notes	Group	Group	Company	Company
CURRENT ASSETS					
Cash and bank balances		8,436,274,044	6,434,105,447	3,768,134,574	2,890,923,633
Notes receivable		1,056,639,979	822,780,872	196,335,554	701,615,019
Trade receivables	4	1,670,184,780	1,753,824,456	13,884,315	1,260,157,905
Financing receivables	5	2,585,459,712	1,382,456,994	672,315,347	1,165,265,848
Prepayments	6	415,594,907	381,238,574	52,462,452	443,019,236
Other receivables		3,010,330,626	544,731,735	6,299,517,479	314,515,492
Inventories		7,126,202,291	7,908,952,095	178,105,742	5,681,379,639
Other current assets		242,873,174	243,920,053	80,471,965	2,530,131
Total current assets		24,543,559,513	19,472,010,226	11,261,227,428	12,459,406,903
NON-CURRENT ASSETS					
Long-term equity investments		6,876,220,786	6,898,903,955	13,362,050,273	12,381,050,723
Other equity instruments investments		410,766,297	414,059,200	405,583,410	408,876,314
Investment properties		52,179,759	53,185,391	43,951,778	53,185,391
Property, plant and equipment		46,900,000,810	48,866,413,844	210,896,854	39,069,070,582
Construction in progress		1,083,887,697	795,364,312	3,494,468	556,145,684
Right-of-use assets		312,607,033	323,359,282	–	316,902,972
Intangible assets		1,821,582,114	1,808,686,660	23,591	1,256,876,122
Deferred tax assets		321,710,602	330,990,743	243,601,770	268,564,121
Total non-current assets		57,778,955,098	59,490,963,387	14,269,602,144	54,310,671,909
TOTAL ASSETS		82,322,514,611	78,962,973,613	25,530,829,572	66,770,078,812

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

Renminbi Yuan

LIABILITIES AND SHAREHOLDERS' EQUITY	<i>Notes</i>	30 June 2025 Group	31 December 2024 Group	30 June 2025 Company	31 December 2024 Company
CURRENT LIABILITIES					
Short-term loans		13,181,240,943	11,344,435,564	86,123,334	10,195,613,468
Notes payable	7	10,225,214,715	10,051,474,326	1,431,782,736	6,874,295,802
Trade payables	8	8,644,150,840	10,673,672,878	211,435,266	8,776,623,562
Contract liabilities		3,875,313,691	4,123,176,032	108,172,081	3,939,550,767
Payroll and employee benefits payable		242,107,331	220,119,665	9,995,555	147,956,613
Taxes payable		157,452,946	230,640,142	1,639,756	143,188,385
Other payables		2,699,707,482	3,176,283,942	2,483,127,675	5,405,537,499
Non-current liabilities due within one year		3,414,493,478	4,499,159,554	49,059,586	4,486,847,308
Accrued liabilities		10,854,720	11,429,761	–	–
Other current liabilities		473,584,559	515,225,262	14,062,371	487,572,010
Total current liabilities		42,924,120,705	44,845,617,126	4,395,398,360	40,457,185,414
NON-CURRENT LIABILITIES					
Long-term loans		5,606,797,042	5,483,408,184	–	5,377,748,184
Lease liabilities		326,374,215	339,072,242	–	334,104,312
Long-term payable		–	–	–	–
Long-term employee benefits payable		589,501	589,501	–	–
Deferred revenue		939,831,046	973,011,484	–	691,659,592
Deferred tax liabilities		222,528	222,875	–	–
Total non-current liabilities		6,873,814,332	6,796,304,286	–	6,403,512,088
Total liabilities		49,797,935,037	51,641,921,412	4,395,398,360	46,860,697,502

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

Renminbi Yuan

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	30 June 2025 Group	31 December 2024 Group	30 June 2025 Company	31 December 2024 Company
SHAREHOLDERS' EQUITY					
Share capital		7,722,104,586	7,746,937,986	7,722,104,586	7,746,937,986
Capital reserve		9,251,631,745	8,576,312,133	8,444,437,149	8,435,726,496
Treasury shares		49,059,586	105,928,072	49,059,586	105,928,072
Other comprehensive income		(6,238,296)	(2,023,545)	93,259,215	96,604,089
Special reserve		113,229,803	97,574,394	–	36,434,036
Surplus reserve		4,720,262,452	4,720,262,452	3,883,475,865	3,883,475,865
Retained earnings		2,149,544,996	2,224,325,312	1,041,213,983	(183,869,090)
Equity attributable to owners of the parent		23,901,475,700	23,257,460,660		
Non-controlling interests		8,623,103,874	4,063,591,541		
Total shareholders' equity		32,524,579,574	27,321,052,201	21,135,431,212	19,909,381,310
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		82,322,514,611	78,962,973,613	25,530,829,572	66,770,078,812

CONSOLIDATED AND COMPANY'S INCOME STATEMENT

For the six months ended 30 June 2025

Renminbi Yuan

		For the six months ended 30 June 2025	For the six months ended 30 June 2024	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	Notes	Group	Group	Company	Company
Revenue	10	38,075,533,544	43,007,478,790	11,072,793,087	37,013,747,603
Less: Cost of sales	10	36,244,525,052	42,484,454,227	11,054,955,948	36,812,733,261
Taxes and surcharges		244,529,804	253,614,421	52,990,604	176,153,384
Selling expenses		137,798,991	144,367,917	30,521,384	80,343,429
General and administrative expenses		437,312,708	434,826,631	127,644,748	288,061,988
R&D expenses		549,322,312	509,627,618	92,465,674	358,032,052
Financial expenses	11	245,618,668	316,659,664	76,687,319	308,970,918
including: interest expense		285,555,450	312,072,546	91,826,378	309,116,122
interest income		66,937,989	45,988,335	21,670,500	29,243,677
Add: Other income		219,162,236	133,118,240	84,849,288	76,785,794
Investment income		13,557,382	84,287,590	1,568,207,319	406,887,785
including: share of profits of associates and joint ventures		14,747,429	76,119,059	(2,332,241)	72,909,499
Gain on the changes in fair value		–	–	–	–
Credit impairment (losses)/reverse		(9,568,661)	16,310,120	(3,381,357)	28,960,238
Assets Impairment losses		(338,366,586)	(353,201,258)	(45,730,035)	(308,762,434)
Gain from disposal of assets	12	11,386,204	73,529,933	(5,775)	3,456,637
Operating profit/(losses)		112,596,584	(1,182,027,063)	1,241,466,850	(803,219,409)
Add: Non-operating income	13	17,953,725	733,269	13,218,802	271,901
Less: Non-operating expenses	14	12,837,349	9,512,675	3,817,002	2,013,729
Profit/(losses) before tax		117,712,960	(1,190,806,469)	1,250,868,650	(804,961,237)
Less: Income tax expenses	15	77,493,175	121,089,148	25,785,577	9,030,540
Net profit/(losses)		40,219,785	(1,311,895,617)	1,225,083,073	(813,991,777)
Categorized by operation continuity					
Net profit/(losses) from continuing operations		40,219,785	(1,311,895,617)	1,225,083,073	(813,991,777)

CONSOLIDATED AND COMPANY'S INCOME STATEMENT (CONTINUED)*For the six months ended 30 June 2025**Renminbi Yuan*

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	For the six months ended 30 June 2025	For the six months ended 30 June 2024
<i>Notes</i>	Group	Group	Company	Company
Categorized by ownership				
Net profit attributable to owners of the parent	<u>(74,780,316)</u>	<u>(1,144,779,937)</u>	<u></u>	<u></u>
Net profit attributable to non-controlling interests	<u>115,000,101</u>	<u>(167,115,680)</u>	<u></u>	<u></u>
Other comprehensive income, net of tax	(4,214,751)	(19,942,412)	(3,344,874)	(19,957,599)
Other comprehensive income attributable to owners of the parent, net of tax	(4,214,751)	(19,942,412)		
Other comprehensive income that will not be reclassified to profit or loss	(2,469,678)	(21,429,498)	–	(21,429,498)
Changes in fair value of other equity investments	(2,469,678)	(21,429,498)	–	(21,429,498)
Other comprehensive income that may be reclassified to profit or loss	(1,745,073)	1,487,086	(875,196)	1,471,899
Other comprehensive income using the equity method that may be reclassified to profit or loss	(875,196)	1,471,899	(875,196)	1,471,899
Net increase in fair value of other debt investments	–	–		
Exchange differences on translation of foreign operations	<u>(869,877)</u>	<u>15,187</u>	<u>–</u>	<u>–</u>

CONSOLIDATED AND COMPANY'S INCOME STATEMENT (CONTINUED)

For the six months ended 30 June 2025

Renminbi Yuan

		For the six months ended 30 June 2025	For the six months ended 30 June 2024	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	Notes	Group	Group	Company	Company
Other comprehensive income attributable to non-controlling interests, net of tax		—	—		
Total comprehensive income		36,005,034	(1,331,838,029)	1,221,738,199	(833,949,376)
Attributable to:					
Owners of the parent		(78,995,067)	(1,164,722,349)		
Non-controlling interests		115,000,101	(167,115,680)		
EARNINGS PER SHARE:					
Basic earnings per share (<i>cent/share</i>)	16	(1.00)	(14.87)		
Diluted earnings per share (<i>cent/share</i>)	16	(1.00)	(14.87)		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Renminbi Yuan

For the six months ended 30 June 2025

	Attributable to owners of the parent								Total Shareholders' equity	
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total		Non-controlling Interests
1. Balance at the beginning of the term	7,746,937,986	8,576,312,133	105,928,072	(2,023,545)	97,574,394	4,720,262,452	2,224,325,312	23,257,460,660	4,063,591,541	27,321,052,201
2. Increase/(decrease) during the term										
1) Total comprehensive income	-	-	-	(4,214,751)	-	-	(74,780,316)	(78,995,067)	115,000,101	36,005,034
2) Shareholders' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-
(i) Cancellation of Restricted Stock	(24,833,400)	(32,035,086)	(56,868,486)	-	-	-	-	-	-	-
(ii) Changes in the share of other equity of associates and joint ventures	-	6,416,063	-	-	-	-	-	6,416,063	-	6,416,063
(iii) Amount of share-based payments recognized in equity	-	-	-	-	-	-	-	-	-	-
(iv) others	-	700,938,635	-	-	-	-	-	700,938,635	4,437,820,637	5,138,759,272
3) Profits appropriation										
(i) Distribution to shareholders	-	-	-	-	-	-	-	-	(1,611,424)	(1,611,424)
4) Special reserve										
(i) Additions	-	-	-	-	46,530,115	-	-	46,530,115	19,434,369	65,964,484
(ii) Utilization	-	-	-	-	(30,874,706)	-	-	(30,874,706)	(11,131,350)	(42,006,056)
3. Balance at the end of the term	7,722,104,586	9,251,631,745	49,059,586	(6,238,296)	113,229,803	4,720,262,452	2,149,544,996	23,901,475,700	8,623,103,874	32,524,579,574

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

Renminbi Yuan

For the six months ended 30 June 2024

	Attributable to owners of the parent								Total Shareholders' equity
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	
1. Balance at the beginning of the term	7,746,937,986	8,439,923,708	105,928,072	(12,900,327)	96,805,291	4,720,262,452	6,883,481,566	27,768,582,604	32,279,541,351
2. Increase/(decrease) during the term									
1) Total comprehensive income	-	-	-	(19,942,412)	-	-	(1,144,779,937)	(1,164,722,349)	(1,331,838,029)
2) Shareholders' contributions and reduction in capital									
(i) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-
(ii) Changes in the share of other equity of associates and joint ventures	-	2,672,806	-	-	-	-	-	2,672,806	2,672,806
(iii) Amount of share-based payments recognised in equity	-	(11,146,732)	-	-	-	-	-	(11,146,732)	(11,146,732)
(iv) others	-	-	-	-	-	-	-	-	-
3) Profits appropriation									
(i) Distribution to shareholders	-	-	-	-	-	-	-	(7,781,464)	(7,781,464)
4) Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-
5) Special reserve									
(i) Additions	-	-	-	-	34,223,654	-	-	34,223,654	11,448,465
(ii) Utilization	-	-	-	-	(21,915,747)	-	-	(21,915,747)	(5,208,976)
3. Balance at the end of the term	7,746,937,986	8,431,449,782	105,928,072	(32,842,739)	109,113,198	4,720,262,452	5,738,701,629	26,607,694,236	30,949,995,328

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

Renminbi Yuan

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	35,033,101,595	39,363,734,127
Tax refunds received	307,531,376	309,761,937
Cash received relating to other operating activities	116,180,195	99,716,965
Sub-total of cash inflows	35,456,813,166	39,773,213,029
Cash paid for purchases of goods and services	(31,664,728,272)	(35,841,821,538)
Cash paid to or on behalf of employees	(1,735,936,262)	(1,705,989,539)
Taxes and surcharges paid	(771,144,842)	(549,146,427)
Cash paid relating to other operating activities	(344,278,364)	(448,459,466)
Sub-total of cash outflows	(34,516,087,740)	(38,545,416,970)
Net cash flows from operating activities	940,725,426	1,227,796,059

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 30 June 2025**Renminbi Yuan*

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
2. Cash flows from investing activities		
Cash received from disposal of investments	270,000,000	10,693,307
Cash received from investment income	50,651,288	22,371,420
Proceeds from disposal of items of property, plant and equipment, intangible assets, and other non-current assets	76,660,904	61,234,612
Cash received relating to other investing activities	86,712,277	–
Sub-total of cash inflows	484,024,469	94,299,339
 Purchases of property, plant and equipment, intangible	(1,440,942,155)	(793,254,385)
Cash paid for investments	(662,714,173)	–
Cash paid relating to other investing activities	–	(4,941,856)
Sub-total of cash outflows	(2,103,656,328)	(798,196,241)
 Net cash flows used in investing activities	(1,619,631,859)	(703,896,902)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 30 June 2025**Renminbi Yuan*

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
3. Cash flows from financing activities		
Cash received from borrowings	9,603,904,725	8,359,534,099
Cash received from investors	2,569,379,636	–
Cash received relating to other financing activities	238,654,381	127,179,807
Sub-total of cash inflows	12,411,938,742	8,486,713,906
Repayment of borrowings	(9,831,174,564)	(7,820,011,177)
Cash paid for distribution of dividends or profits and for interest expenses	(282,037,803)	(330,146,534)
Including: dividends or profits paid to non-controlling interests by subsidiaries	(1,611,424)	(7,781,464)
Cash paid relating to other financing activities	(949,449)	(6,776,092)
Sub-total of cash outflows	(10,114,161,816)	(8,156,933,803)
Net cash flows used in financing activities	2,297,776,926	329,780,103
4. Effect of foreign exchange rate changes on cash and cash equivalents	8,636,839	(2,149,341)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 30 June 2025**Renminbi Yuan*

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
5. Net increase in cash and cash equivalents	1,627,507,332	851,529,919
Add: cash and cash equivalents at the beginning of the term/year	<u>3,687,116,397</u>	<u>4,428,594,208</u>
6. Cash and cash equivalents at the end of the term/year	<u><u>5,314,623,729</u></u>	<u><u>5,280,124,127</u></u>

NOTES TO FINANCIAL STATEMENTS

As at 30 June 2025

Renminbi Yuan

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements are prepared in accordance with “China Accounting Standards for Business Enterprises – General Principles” and other issued application guidance, interpretations and other related regulations issued later (collectively known as the “CAS”).

The financial statements are prepared on a going concern basis.

As of 30 June 2025, the net current liabilities of the Group amounted to RMB18,380,561,192. The directors of the Company have considered the availability of funding sources, including but not limited to an unutilized banking facilities of RMB50.1 billion as at 30 June 2025 and the expected cash inflows from the operating activities in the upcoming 12 months. The board of directors of the Company believes that the Group has sufficient working capital to continue as a going concern for not less than 12 months after the end of reporting period. Therefore, the board of directors of the Company continues to prepare the Group’s financial statements for the year ended 30 June 2025 on a going concern basis.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. Assets classified as held for sale are disclosed at the lower of carrying amount and fair value less costs to disposal on the date of classification. Provision for asset impairment is provided in accordance with related regulations.

1.2 Statement of compliance with the CAS

The financial statements have been prepared in accordance with the CAS, and present truly and completely the financial position of the Company and the Group as of 30 June 2025, and the results of their operations and cash flows for the six months ended 30 June 2025.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

2. SCOPE OF CONSOLIDATION

Anhui Changjiang Iron and Steel Trading Hefei Co., Ltd. was absorbed and consolidated by Anhui Changjiang Iron and Steel, a subsidiary of the Company, on 27 January, 2025, and no longer included in the scope of consolidation.

3. OPERATING SEGMENT INFORMATION

Operating segments

The Group is treated as an integrated entity for the review of internal reporting, resource allocation and performance evaluation which are determined based on the internal organization structure, management requirements and internal reporting system:

- Production and sale of iron and steel products and related by-products

Other information

Product and service information

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
External principal operating income		
Sale of steel products	33,619,563,472	38,656,998,316
Sale of steel billets and pig iron	1,917,491,289	2,083,525,499
Others	2,538,478,783	2,266,954,975
	<u>38,075,533,544</u>	<u>43,007,478,790</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Operating segments (Continued)

Geographical information

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
External principal operating income		
Mainland China	35,432,194,574	39,426,251,225
Overseas and Hong Kong	2,643,338,970	3,581,227,565
	<u>38,075,533,544</u>	<u>43,007,478,790</u>
Non-current assets	30 June 2025	31 December 2024
Mainland China	56,953,133,743	58,647,571,427
Overseas and Hong Kong	93,344,456	98,342,017
	<u>57,046,478,199</u>	<u>58,745,913,444</u>

The non-current assets information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

Major customer information

The Group had not placed reliance on any single external customer which accounted for 10% or more of its total revenue.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

4. TRADE RECEIVABLES

The Group's trade receivables were interest-free with normal credit terms of 30 to 90 days.

The ageing of trade receivables, based on the invoice date, is analyzed below:

	30 June 2025	31 December 2024
Within one year	1,649,390,045	1,759,620,406
One to two years	105,228,714	132,286,416
Two to three years	132,054,820	64,863,225
Over three years	29,658,012	15,325,306
	<u>1,916,331,591</u>	<u>1,972,095,353</u>
Less: Provisions for bad debts	<u>246,146,811</u>	<u>218,270,897</u>
	<u><u>1,670,184,780</u></u>	<u><u>1,753,824,456</u></u>

As of 30 June, 2025, the Group had no actual write-offs of allowance for doubtful accounts on receivables (2024: None).

As of 30 June, 2025, and 31 December, 2024, the carrying amounts of the Group's receivables did not include any receivables derecognized due to financial asset transfers.

As of 30 June, 2025, the Group had no assets or liabilities arising from transferred receivables where it continues to be involved (2024: None).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

5. FINANCING RECEIVABLES

	30 June 2025	31 December 2024
Bank acceptance notes	<u>2,585,459,712</u>	<u>1,382,456,994</u>

As of 30 June 2025, the Group pledged the bank acceptance notes of RMB0 (31 December 2024: Nil) for the short-term loan.

The undue notes discounted or endorsed were as follows :

	Derecognized	Not derecognized
Bank acceptance notes	<u>15,490,720,777</u>	<u>—</u>

As of 30 June 2025 and 31 December 2024, there were no trade receivable transferred from notes receivable because of the drawers' inability to pay.

As of 30 June 2025, the Group derecognized notes receivable discounted to financial institutions amounting to RMB15,490,720,777 (2024: RMB12,733,067,788), and recognized discount expense amounting to RMB25,621,413 (2024: RMB2,173,662).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

6. PREPAYMENTS

An ageing analysis of the prepayments is as follows:

	30 June 2025		31 December 2024	
	Book value	Ratio (%)	Book value	Ratio (%)
Within one year	402,098,775	97	366,554,395	96
One to two years	12,419,435	3	12,710,526	3
Two to three years	1,076,697	–	1,973,653	1
	<u>415,594,907</u>	<u>100</u>	<u>381,238,574</u>	<u>100</u>

7. NOTES PAYABLE

	31 December 2024	31 December 2023
Bank acceptance notes	<u>10,225,214,715</u>	<u>10,051,474,326</u>

As of 30 June 2025, the Group had no matured and unpaid accounts payable.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

8. TRADE PAYABLES

The trade payables are interest-free and are normally settled within three months.

The ageing analysis of trade payables, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
Within one year	8,612,215,704	10,408,069,219
One to two years	15,504,689	177,175,303
Two to three years	1,238,227	35,015,927
Over three years	15,192,220	53,412,429
	<u>8,644,150,840</u>	<u>10,673,672,878</u>

9. DIVIDENDS

The board of directors does not recommend the payment of any dividends for the year ended 30 June, 2025.

10. REVENUE AND COST OF SALES

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	Revenue	Cost of sales	Revenue	Cost of sales
Principal operating income	36,639,298,472	34,798,921,762	41,629,746,736	41,164,732,434
Other operating income	<u>1,436,235,072</u>	<u>1,445,603,290</u>	<u>1,377,732,054</u>	<u>1,319,721,793</u>
	<u>38,075,533,544</u>	<u>36,244,525,052</u>	<u>43,007,478,790</u>	<u>42,484,454,227</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

10. REVENUE AND COST OF SALES (CONTINUED)

Revenue is presented as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Revenue from contracts with customers	38,071,807,603	42,923,143,195
Other income	3,725,941	84,335,595
	<u>38,075,533,544</u>	<u>43,007,478,790</u>

Timing of revenue recognition from contracts with customers :

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
At a point in time	38,031,454,822	42,824,049,314
Over time	40,352,781	99,093,881
	<u>38,071,807,603</u>	<u>42,923,143,195</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

10. REVENUE AND COST OF SALES (CONTINUED)

Revenue recognized that was included in contract liabilities at the beginning of the year:

	30 June 2025	31 December 2024
Revenue	<u>4,123,176,032</u>	<u>4,013,383,663</u>

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the year end is expected to be recognized as revenue as follows:

	30 June 2025	31 December 2024
Within one year	<u>3,875,313,691</u>	<u>4,123,176,032</u>

Note: For sales of products, the Group satisfies a performance obligation when customer obtained the control of the relevant products, and for provide of services, the Group satisfies a performance obligation based on performance progress over the contract period. The maturity on contract payment of the Group is 30 to 90 days, without existence of significant financing component. The contracts between the Group and its certain customers containing sales rebate arrangements (future price reductions based on cumulative sales volumes), which forms a variable consideration. The Group determines the variable consideration based on the expected or the most probable value. However, the sales price including variable considerations should not exceed the amount accumulatively recognized which is not likely to be significantly reversed when the uncertainty disappears.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

11. FINANCIAL EXPENSES

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Interest expenses (<i>Note</i>)	285,555,450	312,774,907
Less: interest income	66,937,989	45,988,335
Less: capitalised borrowing costs	–	702,361
Exchange (gain)/loss	18,748,612	41,563,728
Others	8,252,595	9,011,725
	<u>245,618,668</u>	<u>316,659,664</u>

12. GAIN FROM DISPOSAL OF ASSETS

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Gain(Loss) on disposal of fixed assets	4,245,809	57,901,418
Gain on disposal of intangible assets	7,140,395	15,628,515
	<u>11,386,204</u>	<u>73,529,933</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

13. NON-OPERATING INCOME

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Included in 2025 non-recurring gains and losses
Others	17,953,725	733,269	17,953,725

14. NON-OPERATING EXPENSES

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Included in 2025 non-recurring gains and losses
Loss from scrap of fixed assets	8,823,155	876,676	8,823,155
Penalty expenditure	–	2,144,476	–
Charity donation	–	187,150	–
Others	4,014,194	6,304,373	4,014,194
	12,837,349	9,512,675	12,837,349

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

15. INCOME TAX EXPENSES

	For the six month ended 30 June 2025	For the six months ended 30 June 2024
Mainland China current income tax expense	55,725,004	90,571,090
Hong Kong current income tax expense	345	(165)
Overseas current income tax expense	12,488,032	14,357,070
Deferred tax expense	9,279,794	16,161,153
	<u>77,493,175</u>	<u>121,089,148</u>

Reconciliation between income tax expenses and profit before tax is as follows:

	For the six month ended 30 June 2025	For the six months ended 30 June 2024
(Loss)/Profit before tax	117,712,960	(1,190,806,469)
Tax at the applicable tax rate of 25% (Note)	29,428,240	(297,701,617)
Effect of different tax rates	(33,652,799)	104,760,466
Adjustment of income tax of prior period	455,993	9,158,844
Non-deductible expenses	4,797,359	7,759,643
Unrecognized deductible temporary difference and tax losses	141,307,969	361,072,782
Utilised previous years' tax losses	(15,753,576)	–
Share of profit or loss of joint ventures and associates	(7,153,818)	(10,464,963)
other taxable preference	(41,936,193)	(53,496,007)
Tax charge at the Group's effective rate	<u>77,493,175</u>	<u>121,089,148</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

15. INCOME TAX EXPENSES (CONTINUED)

Note: The Group's income tax has been provided at the rate on the estimated taxable profits arising in the PRC during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

16. EARNINGS PER SHARE

	For the six month ended 30 June 2025 CNY/share	For the six months ended 30 June 2024 CNY/share
Basic earnings per share		
Continuing operations	<u>(0.01)</u>	<u>(0.15)</u>
Diluted earnings per share		
Continuing operations	<u>(0.01)</u>	<u>(0.15)</u>

Basic Earnings Per Share (EPS) is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the period by the weighted average number of ordinary shares outstanding during the period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

16. EARNINGS PER SHARE (CONTINUED)

The calculations of the basic earnings per share amounts are based on:

	For the six month ended 30 June 2025	For the six months ended 30 June 2024
Net Income		
Net Loss Attributable to Ordinary Shareholders for the Period Going Concern	<u>(74,780,316)</u>	<u>(1,144,779,937)</u>
Total	<u>(74,780,316)</u>	<u>(1,144,779,937)</u>
Adjusted Net Loss Attributable to Ordinary Shareholders for the Period	<u>(74,780,316)</u>	<u>(1,144,779,937)</u>
Attributable to: Going Concern	<u>(74,780,316)</u>	<u>(1,144,779,937)</u>
Total	<u>(74,780,316)</u>	<u>(1,144,779,937)</u>
Shares		
Weighted Average Number of Ordinary Shares Outstanding	7,700,681,186	7,700,681,186
Dilution Effect – Weighted Average Number of Ordinary Shares	<u>–</u>	<u>–</u>
Adjusted Weighted Average Number of Ordinary Shares Outstanding	<u>7,700,681,186</u>	<u>7,700,681,186</u>

For the current year, a net loss was incurred. The potential ordinary shares have antidilutive characteristics; hence, the diluted earnings per share (EPS) is the same as the basic earnings per share (EPS).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

17. CONTINGENT EVENTS

Difference of corporate income tax

The State Administration of Taxation issued “The notice of income tax collection and management on Shanghai Petrochemical Company Limited and other eight companies listed overseas corporation” (Guo Shui Han [2007] No. 664) in June 2007, with stated claims that the relevant local tax bureaus must correct immediately the expired tax incentives of the nine overseas listed companies. The income tax difference between the results of the previously expired preferential rate and the applicable rate should be treated in accordance with the relevant provisions of the “People’s Republic of China Administration of Tax Collection Law”.

The Company was one of the nine companies mentioned above and used a 15% preferential tax rate in the previous period. After understanding the above information, the Company and the tax authorities issued a comprehensive communication and according to the tax authorities, the applicable corporate income tax rate in 2007 was 33%, which was adjusted from the original 15%. The Company had not been recovered prior period income tax differences.

Based on the comprehensive communication between the Company and the tax authorities, the director of the Company believed that it is uncertain whether the tax authorities will recover the difference between the previous period’s income tax at this stage, and the final result of this matter cannot be estimated reliably. Therefore, the financial statements have not made any provision or adjustments related to the income tax differences.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025

Renminbi Yuan

18. EVENTS AFTER THE BALANCE SHEET DATE

As of the date of approval of the financial statements, the Group had no material post-balance sheet events requiring disclosure.

By order of the Board
Maanshan Iron & Steel Company Limited
Jiang Yuxiang
Chairman

27 August 2025

Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Jiang Yuxiang and Mao Zhanhong; and independent non-executive directors Guan Bingchun, He Anrui, Qiu Shengtao and Zeng Xiangfei.